

CENTRAL INTELLIGENCE AGENCY

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## REPORT

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1. The Northwest China Military and Administrative Committee, headed by HSI Chung-hsun in the absence of P'ENG Te-huai, has been devoting its efforts to the exploitation of mines and industries in the general area traversed by highways between Sian (108-54, 34-16) and Hsining (101-49, 36-37).
2. This area has been designated a special industrial district vital to the national defense and it is administered by a board of control with HSI Chung-hsun as chairman and Ma-ssu-ning (馬思寧), a Soviet, as deputy chairman. There are 200 Soviet advisers, headed by Lo-chi-ko-fu (洛基可夫), attached to the board of control. CHIN Yu-chen (金玉振) is commander of the garrison division for the area, which totals 15,000 men.
3. More than twenty new roads, totalling 400 miles, have been built to connect the mines and factories within the area. The transportation department, which is headed by CHAO Feng-chi (趙鳳岐), controls 4,000 trucks and 5,000 mules, horses, and camels. About 200 small factories and 100 large factories have been moved to this area from Shanghai, Nanking, Tientsin, Wuchang, and Hankow.

Some of the major enterprises within the area are as follows:

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3. The Northwest Mining Company has seven coal mines under its control, including the Lao Hu K'ou (老虎口), Ping Ch'a K'ou (平差口), and Liang T'ai Tzu (梁台子) mines. About 30,000 miners, mostly former government employees, military and police officers, and school teachers [ ] work in these mines. Each miner is required to work 14 hours a day and produce one-half ton of coal each day. The total daily production from these seven mines is 15,000 tons.

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- b. The iron mine at Chienhuchuang (千戶莊), Huangchung (湟中) Hsien, Chinghai, has been developed and a light railway has been constructed from the mine to the foundry at Tahsiayu (大山峽), between Hsining and Hutsu (互助). The daily production at the mine is 5,000 tons. The foundry has ten departments and is equipped with five 50-ton iron smelting furnaces, two 150-ton smelting furnaces, and one 500-ton smelting furnace. The foundry has 10,000 employees and produces 5,000 to 6,000 pieces of heavy steel rails and plates each day.
- c. The Northwest Chemical Plant at Tach'uan (大川), west of Lanchow, uses equipment moved from Northeast China and employs 200 Soviet technicians and 3,000 laborers. The salt mined in Chinghai and Kansu is electrolyzed at this plant to produce chlorine and caustic soda. The plant also manufactures nitric acid and sulphuric acid. 50X1-HUM
- d. The Colored Metals Smelting Plant is headed by SHIH Yung-tang (史詠唐), director of the Northwest China Colored Metals Control Board. The plant is at Hsintien (新店), west of Yungteng (103-24, 36-44) and has 100 Soviet technicians and 3,000 workers. It has eight departments, which smelt gold, copper, manganese, aluminum, tin, and mercury. 50X1-HUM
- e. The fertilizer plant at Mahuitzu (馬回子), west of Lanchow, was moved from Tientsin. It has 500 workers producing various types of fertilizers.
- f. The First Northwest China Arsenal is at Hochiaoi (河橋驛), Yungteng, with WANG K'ao (王克) as superintendent. This plant has 300 Soviet technicians and 1,000 workers. It produces small caliber guns and shells, using new machinery made in the Soviet Union. 50X1-HUM
- g. The Second Northwest China Arsenal is in the north suburbs of Lanchow and repairs weapons.
- h. The Third Northwest China Arsenal is at Tanchiapao (單家堡) in Lotu (102-33, 36-29), with SUN Lang-hsing (孫郎星) as superintendent. Most of the equipment in this plant came from the Nanking Arsenal. There are more than 3,000 workers in the arsenal producing heavy and light machine guns and shells.
- ✓ i. An explosives plant is at T'ienfengssu (天豐寺) on the Kansu-Chinghai border. There is a ballistics laboratory headed by Soviet adviser Mi-ko-yeh-fu (米可耶夫) at this plant. 50X1-HUM
- j. A poison gas plant at T'ienfengssu is headed by YEN Ssu-hou (顏思厚). There are 100 technicians and 500 to 600 workmen at the plant. 50X1-HUM
5. Fourteen major plants, including a radio equipment factory and a military rations factory, are to be put into operation in the triangular district in the Northwest. 50X1-HUM

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